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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/797,464	Applicant(s) FOLTZ-SMITH ET AL.
	Examiner NATHAN C. UBER	Art Unit 3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
 - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
 - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED. (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 29 May 2009.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-66 is/are pending in the application.
 4a) Of the above claim(s) 1-21 is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 22-66 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date: _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/DP/0656) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date: _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of Claims

1. This action is in reply to the amendment and RCE filed on 29 May 2009.
2. Claims 64-66 have been added.
3. Claims 1-21 are withdrawn.
4. Claims 22-66 are currently pending and have been examined.

Continued Examination Under 37 CFR 1.114

5. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 29 May 2009 has been entered.

Response to Amendment

6. The declaration under 37 CFR 1.132 filed 29 May 2009 is insufficient to overcome the rejection of claims 22, 34 and 49 based upon 35 U.S.C. 103(a) for being unpatentable over Cheung et al. (U.S. 2003/0028529) in view of Leishman et al. (U.S. 2004/0073538) as set forth in the last Office action because: (A) the declaration fails to present objective evidence of nonobviousness, (B) the declaration fails to identify a nexus between the evidence presented in the declaration and the claims, (C) the evidence presented in the declaration is not supported by actual proof, (D) the opinion evidence presented in the declaration carries no weight because the opinion evidence is presented by an interested party and because the opinion evidence is an opinion as to the ultimate legal conclusion at issue. Examiner notes that Applicant designated the evidence filed on 29 May 2009 an *affidavit*, however since the evidence submitted was not notarized but instead

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contains a declaration consistent with 37 CFR 1.68, the evidence submitted is a proper and timely filed *declaration* (see generally MPEP § 715.04(II)).

7. (A) The declaration fails to present *objective evidence of nonobviousness*. MPEP § 716.01(a) states that declarations must be considered by the Examiner in determining the issue of obviousness of claims for patentability when they contain "evidence of criticality or unexpected results, commercial success, long-felt but unresolved needs, failure of others, skepticism of experts, etc." In paragraph 5 of the declaration, Applicant declares that integrating a billing system, category-based and geo-location-based searching "is not a trivial matter;" it required six engineers and six months; and it required "considerable investment in time, money and effort." Applicant further declares that the *invention* is "non-trivial" because "it has taken other companies much longer to develop such a system;" and, to Applicant's "knowledge, no company was able to develop a local targeted pay per click advertisement system at least through the end of 2004." Applicant additionally appends several articles regarding Google and Yahoo product launches at or around 2004. The declaration appears to be focused on convincing Examiner that the claimed invention is not "a trivial matter" and is therefore not obvious. Examiner assures Applicant that at no point does Examiner rest his finding of obviousness upon a conclusion that Applicant's invention is a trivial matter. Further whether or not the declaration provides objective evidence indicating that the claimed *invention* is a non-trivial matter fails to address the *prima facie* case because the trivial nature of an invention is not pertinent to the question of obviousness. Further evidence of how long or how many resources an Applicant or any other entity has invested in developing an invention is not pertinent to the question of obviousness. Rather the courts have held that secondary considerations such as evidence of criticality or unexpected results, commercial success, long-felt but unresolved needs, failure of others, skepticism of experts, etc. may be pertinent to the question of obviousness. However, Applicant presented no such evidence in the declaration. Although, lack of objective evidence of nonobviousness does not weigh in favor of obviousness. *Miles Labs. Inc. v. Shandon Inc.*, 997 F.2d 870, 878, 27 USPQ2d 1123, 1129 (Fed. Cir. 1993), cert. denied, 127 L. Ed. 232 (1994). Where a *prima facie* case of

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obviousness is established, the failure to provide rebuttal evidence is dispositive. (see generally MPEP 716.01(a) for further guidance)

8. (B) The declaration fails to identify a nexus between the evidence presented in the declaration and the claims. Although the declaration fails to present objective evidence of nonobviousness, as noted above, the declaration nevertheless does present some evidence that may hold some probative value to the question of obviousness. MPEP 716.01(b) states “[i]t is given substantial weight in the determination of obviousness or nonobviousness, evidence of secondary considerations must be relevant to the subject matter as claimed, and therefore the examiner must determine whether there is a nexus between the merits of the claimed invention and the evidence of secondary considerations. *Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 305 n.42, 227 USPQ 657, 673-674 n. 42 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986). The term “nexus” designates a factually and legally sufficient connection between the objective evidence of nonobviousness and the claimed invention so that the evidence is of probative value in the determination of nonobviousness. *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 7 USPQ2d 1222 (Fed. Cir.), cert. denied, 488 U.S. 956 (1988).” Here the evidence presented in the declaration does not even refer to the claimed invention. In paragraph 5, Applicant refers only to page 25 and 26 of code submitted by Applicant. The declaration does not present any facts demonstrating a connection between the evidence presented in the declaration and the claims. For example, one of the Graham factors for determination of obviousness considers the level of ordinary skill in the art at the time of the invention. Although, the declaration states that it took six skilled engineers six months to develop the invention and that it took other companies longer, the declaration is silent as to the level of ordinary skill in the art. The declaration does not provide a nexus to the evidence presented that advances a legal argument probative of obviousness. (see generally MPEP 716.01(b) for further guidance)
9. (C) The evidence presented in the declaration is not supported by actual proof. MPEP 716.01(c)(l) requires that any objective evidence be supported by actual proof and restates what

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is considered "objective evidence" as addressed above. Although the evidence presented in the declaration is not "objective evidence," as noted above, the probative value of the evidence presented is further reduced because the evidence lacks proof. The appended articles generally discussing Google and Yahoo plans to launch search products are only proof of when Google and Yahoo planned to launch search products. It provides no probative value to the pending rejection nor does it support the evidence presented in the declaration.

10. (D) The opinion evidence presented in the declaration carries no weight because the opinion evidence is presented by an interested party and because the opinion evidence is an opinion as to the ultimate legal conclusion at issue. MPEP 716.01(c)(III) states that "[a]lthough factual evidence is preferable to opinion testimony, such testimony is entitled to consideration and some weight so long as the opinion is not on the ultimate legal conclusion at issue;" however, "*In re Lindell*, 385 F.2d 453, 155 USPQ 521 (CCPA 1967) ([a]lthough an affiant's or declarant's opinion on the ultimate legal issue is not evidence in the case, "some weight ought to be given to a persuasively supported statement of one skilled in the art on what was not obvious to him" 385 F.2d at 456, 155 USPQ at 524 (emphasis in original).)" Here the declaration that the claims would not have been obvious to one skilled in the art (see paragraph 7 of the declaration) is not evidence and carries no weight. Further, unlike the *In re Lindell*, the declaration of Mr. Foltz-Smith does not provide evidence that the combination was not obvious to Mr. Foltz-Smith, only that it took him and 5 others 6 months to invent and develop the invention. In any case, MPEP 716.01(c)(III) further states that "in assessing the probative value of an expert opinion, the examiner must consider the nature of the matter sought to be established, the strength of any opposing evidence, *the interest of the expert in the outcome of the case*, and the presence or absence of factual support for the expert's opinion" (emphasis added). Examiner recognizes that "[a]n affidavit of an applicant as to the advantages of his or her claimed invention, while less persuasive than that of a disinterested person, cannot be disregarded for this reason alone. *Ex parte Keyes*, 214 USPQ 579 (Bd. App. 1982); *In re McKenna*, 203 F.2d 717, 97 USPQ 348 (CCPA 1953)" (*Id.*), however Examiner affords no weight to Applicant's declaration of what would

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have been obvious because it is both a conclusion of law directed to the ultimate legal conclusion at issue and because it is proffered by applicant who is not a disinterested party.

11. The totality of the reasons above lead Examiner to the conclusion that the probative value of the evidence presented in the declaration is insufficient to overcome the 35 U.S.C. 103(a) rejections of claims 22, 34 and 49.

The ultimate determination of patentability must be based on consideration of the entire record, by a preponderance of evidence, with due consideration to the persuasiveness of any arguments and any secondary evidence. *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). The submission of objective evidence of patentability does not mandate a conclusion of patentability in and of itself. *In re Chupp*, 816 F.2d 643, 2 USPQ2d 1437 (Fed. Cir. 1987). Facts established by rebuttal evidence must be evaluated along with the facts on which the conclusion of a *prima facie* case was reached, not against the conclusion itself. *In re Eli Lilly*, 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990). In other words, each piece of rebuttal evidence should not be evaluated for its ability to knockdown the *prima facie* case. All of the competent rebuttal evidence taken as a whole should be weighed against the evidence supporting the *prima facie* case. *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). Although the record may establish evidence of secondary considerations which are indicia of nonobviousness, the record may also establish such a strong case of obviousness that the objective evidence of nonobviousness is not sufficient to outweigh the evidence of obviousness. *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 769, 9 USPQ2d 1417, 1427 (Fed. Cir. 1988), cert. denied, 493 U.S. 814 (1989); *Richardson-Vicks, Inc., v. The Upjohn Co.*, 122 F.3d 1476, 1484, 44 USPQ2d 1181, 1187 (Fed. Cir. 1997) (showing of unexpected results and commercial success of claimed ibuprofen and pseudoephedrine combination in single tablet form, while supported by substantial evidence, held not to overcome strong *prima facie* case of obviousness). See *In re Piasecki*, 745 F.2d 1468, 223 USPQ 785 (Fed. Cir. 1984) for a detailed discussion of the proper roles of the

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examiner's *prima facie* case and applicant's rebuttal evidence in the final determination of obviousness. (MPEP 716.01(d))

The evidence presented in the declaration carries little to no weight (as demonstrated above) with regard to the central issue of obviousness. Further the current rejection presents a strong *prima facie* case of obviousness. Applicant even admits that the prior art references teach all of the limitations of the independent claims (see paragraphs 3 and 4 of the declaration). Therefore the factual evidence presented in the declaration does not outweigh the factual evidence presented in the current rejection.

Claim Rejections - 35 USC § 112

12. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

13. Claims 30, 42 and 57 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claims contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. The claims recite *the advertiser data forms a basis for which search results are extracted by the search engine*. Neither the original claims nor the specification disclose this feature. This limitation constitutes impermissible new matter.

14. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

15. Claims 22, 31 and 32 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Applicant amended claims 22 and 31 to remove *module* and rather indicate

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functions or functions executable by the processor. However, the claim first defines these *functions* as data. It is not known in the art nor taught by Applicant's specification how data may "include functions" executable by a processor as claimed. For the purposes of this examination Examiner interprets the *functions preformed by a processor* not as data, but rather as software. Examiner suggests amending claim 22 to indicate separately data (such as the *advertisement payment information*) and functions that the claimed processor is configured to perform.

Claim Rejections - 35 USC § 101

16. Claim 34 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent, a method/process claim must (1) be tied to a particular machine or apparatus (see at least *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claim 34 fails to meet the above requirements because it is not tied to a particular machine or apparatus and because it does not transform underlying subject matter. The steps of *receiving* and *transmitting* are considered insignificant extra-solution activity, so whether or not the *network* constitutes a particular machine or apparatus is moot. The preamble recitation *a computer-based method* does not satisfy the requirement because the preamble lends no patentable weight to the claim. The limitation *operating a search engine* does not satisfy the requirement because a human operator may complete this step and satisfy the claim and human operators are not statutory classes of invention. Examiner notes that the search engine here completes the "extraction of results" but this extraction step is not positively recited in the claim, only the step of *operating* is positively recited. It must be evident in the body of the method claim that a particular machine is tied to the method in a significant way.

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17. Applicant's amendments to claim 34 do not cure the deficiencies identified above. Storing, transmitting and receiving data are insignificant extra-solution activity and therefore the particular machine associated with those steps cannot be relied upon to tie the method to a particular machine for the purposes of satisfying the machine-or-transformation test. With regard to the mapping, operating and ranking steps, the claim discloses only that the steps are preformed *utilizing a processor* not that the processor is performing the steps. The claim remains non-statutory because it is not tied to a machine and does not transform underlying subject matter. Based on precedent from the *Diehr* (450 U.S. at 191-92) and *Flook* (437 U.S. at 590) Courts "...even if a claim recites a specific machine or a particular transformation of a specific article, the recited machine or transformation must not constitute mere insignificant postsolution activity." *In re Bilski*, 545 F.3d 943, at 957. Further the *Bilski* decision notes that "postsolution activity" is not narrowly interpreted to mean only a step occurring at the end of a process. Rather, based on precedent from *In re Schrader* (22 F.3d 290) and *In re Grams* (888 F.2d 835), insignificant extra-solution activity is applicable to insignificant steps whether occurring pre-solution, post-solution, or in the middle of the process. *Id.* Specific examples of insignificant activity include data recordation or data gathering steps. *Id.* Such steps are incapable of imparting patent-eligibility under § 101. *Id.* For further information see *In re Bilski*, 545 F.3d 943, 88 USPQ2d 1385 (Fed. Cir. 2008). See also the response to arguments section below.

Claim Rejections - 35 USC § 103

18. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:
- (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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19. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:
1. Determining the scope and contents of the prior art.
 2. Ascertaining the differences between the prior art and the claims at issue.
 3. Resolving the level of ordinary skill in the pertinent art.
 4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
20. Claims 22-66 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cheung et al. (U.S. 2003/0028529) in view of Leishman et al. (U.S. 2004/0073538).

Claim 22:

Examiner's Note: Applicant properly claims a system in the claim below, however the system of this claim is extremely broad as it is only limited to a processor and a medium containing data that the processor is at least capable of reading. This system can for example describe a scanner (processor) with a piece of paper containing data (the medium) on the scanning portion of the scanner (readable). There is no functional relationship between the data in this claim and the processor or the medium. In this situation patentable weight is not given to the data elements in the claim because the data is not functional but merely descriptive. See "Non-Functional Descriptive Material," MPEP 2106. Applicant's amendments to include *functions* are interpreted as software (i.e. functional descriptive material) and given patentable weight. However, as indicated above, Applicant's claim language is indefinite because the functional material is defined in the claim as non-functional descriptive material/data *per se*. Examiner maintains, as in the previous Office action, that the cited art of record discloses the limitations below whether or not the limitations carry patentable weight in the claim.

Cheung, as shown, discloses the following limitations:

- *at least one processor* (see at least ¶0040, a server),
- *a medium connected to the processor* (see at least ¶0040, a communications medium, the internet),

- *a set of data on the medium and being at least readable by the processor the set of data including: advertiser payment information; a query receiving function executable by the processor to receive a search query over a network from a user computer system; geographic data of a location; a mapping function executable by the processor to map the query to at least one sales category among a plurality of sales categories; an advertiser data store including a plurality of advertiser entries; a search engine to extract a plurality of search result from the advertiser entries based on the sales category and the geographic location data; a ranking function executable by the processor to rank the search results based on at least the advertiser payment information into a ranked set of search results; and a transmission function executable by the processor to transmit the set of ranked search results over a network to the user computer system, each one of the ranked search results including a link to retrieve a respective advertiser web page over a network from a respective advertiser computer system utilizing the user computer system (see at least Figure 1, items 102 search engine, 104 search results database and 105 account database, databases inherently include the functionality of ranking and categorizing/"mapping to a category", see also at least figure 4, networking functionality),*

Cheung does not specifically disclose *geographic data of a location* however Leishman discloses location information (see at least ¶0044) and more general geographic information (see at least ¶¶0032 and 0041). It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 23, 35 and 50:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *wherein the ranking is dependent upon whether a link included in an ad has received a predetermined number of clicks within a predetermined period of time* (see at least ¶0139, when the account is exhausted the ad is no longer positioned with the paid advertisements/displayed, see also at least ¶¶0124 and 0048).

Claims 24, 36 and 51:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *a sponsor is an advertiser that has a financial agreement with the search provider regarding the inclusion of the sponsor's ad on the search provider's web page* (see at least ¶0047, advertiser opens an account),
- *a non-sponsor is an advertiser whose ad is displayed on the search provider's web page free of charge* (see at least ¶0048, non paid website descriptions/listings),
- *non-sponsors' ads are displayed in a region of the search provider's web page below another region of the search provider's web page where sponsors' ads are displayed* (see at least ¶0048, non paid listings appear separately or at the bottom of paid listings).

Claims 25, 37 and 52:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the search provider is due a fee from a sponsor every time a user selects a link associated with the sponsor's ad displayed on the search provider's web page* (see at least ¶0117, "a money amount that is deducted from the

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account of the advertiser for each time the advertiser's webs site is accessed via a hyperlink on the search result page").

Claims 26, 38 and 53:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the sponsor's ad has associated with it a cap amount that is the maximum amount of money that a sponsor can be billed by the search provider for the sponsor's ad within a billing cycle* (see at least ¶0124, advertise may prepay for clicks).

Claims 27, 39 and 54:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *a location where the sponsor's ad is displayed on the search provider's web page is influenced by a difference between the cap amount and a total accrued debt owed by the sponsor to the search provider for the sponsor's ad* (see at least ¶0124, if there are not enough funds, the advertisement will not appear in the search results).

Claims 28, 40 and 55:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the sponsor's ad is located within the region of the search provider's web page with non-sponsors' ads when the total accrued debt owed by the sponsor to the search provider for the sponsor's ad equals the cap amount* (see at least ¶0048, non-paid listings appear in a different section or below paid listings, and are retrieved based on relevance to the search).

Claims 29, 41 and 56:

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The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the sponsor can change the cap amount* (see at least ¶0124, advertiser may add funds).

Claims 30, 42 and 57:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the advertiser data forms a basis for which search results are extracted by the search engine* (see at least ¶0139, when the account is exhausted the ad is no longer positioned with the paid advertisements/displayed see also ¶0124).

Claims 31, 46 and 61:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *a geo-location function that determines a location of the user computer system* (see at least ¶0030, the polygon search module),
- *determining a location of the user computer system utilizing a geo-location function* (see at least ¶0030, the polygon search module),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 32, 47 and 62:

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The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *a geo-location function calculating a geographic region of consideration, and removing all sponsor ads from the list of sponsors' ads when the respective sponsor's business location is outside of the geographic region of consideration (see at least ¶0030, the polygon search module),*

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 33, 48 and 63:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *the geographic region of consideration is a circle having a center point and a radius, and the radius is multiplied by a market multiplier factor that varies as a function of a location of the center point (see at least ¶0030, the polygon search module),*

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 34 and 49:

Cheung, as shown, discloses the following limitations:

- *storing advertiser information on at least one computer-readable medium* (see at least figure 1, item 105 account database),
- *storing a plurality of advertiser entries on the medium* (see at least figure 1, item 105 account database),
- *receiving a search query over a network from a user computer system at a server computer system* (see at least figure 1, item, 102 search engine, inherently a search engine receives a search query, see also at least ¶0118),
- *mapping the query to at least one sales category among a plurality of sales categories utilizing a processor of the server computer* (see at least ¶0011, cataloging search results),
- *operating a search engine to extract a plurality of search result from the advertiser entries based on the sales category and the geographic location data utilizing the processor* (see at least ¶¶0011 and 0118, using a search engine),
- *ranking the search results based on at least the advertiser payment information to a ranked set of search results utilizing the processor* (see at least ¶0048, the bid amount for the ad dictates the ad placement in the search result list, see also at least ¶0117),
- *transmitting the set of ranked search results from the server computer system over a network to the user computer system, each one of the ranked search results including a link to retrieve a respective advertiser web page over a network from a respective advertiser computer system utilizing the user computer system* (see at least ¶0014, advertisers pay for click through referrals generated from the search result list generated by the search engine),

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Cheung does not specifically disclose *geographic data* however Leishman discloses location information (see at least ¶0044) and more general geographic information (see at least ¶¶0032 and 0041). Further Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *storing geographic data of a location on the medium* (see at least ¶0044),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 43 and 58:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitations:

- *calculating a pacing factor* (see at least ¶0090, capping accounts by time period),
- *comparing a random number, having a value between zero and one, to the pacing factor for each sponsor's ad* (see at least ¶0099),
- *displaying the sponsor's ad on the search provider's web page only if the pacing factor is greater than the random number* (see at least ¶0106, changing account status may result in removal of an ad from search results),

Cheung discloses projecting expenses predicting the projected number of days until the exhaustion of account funds (see at least ¶139) and creating invoice caps for specific time periods (see at least ¶0090). Further Cheung discloses and account monitoring method capable to removing ads from results tables when thresholds are exceeded (see at least ¶0099). Therefore it would have been obvious to one having ordinary skill in the

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art at the time of the invention to implement a pacing factor because Cheung discloses a comparable method.

Claims 44 and 59:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *sorting the sponsors' ads and displaying the sponsors' ads on the search provider's web page according to the cost-per-click multiplied by the click-through rate associated with each sponsor's ad* (see at least ¶0117, sorting the result list based on the amount bid which may be a cost-per-click, see also at least ¶¶0139-0140 maximizing anticipated revenue based on cost-per-click and run rate).

Claims 45 and 60:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *calculating a sorting factor* (see at least ¶0066, sort the result list),
- *sorting the sponsors' ads and displaying the sponsors' ads on the search provider's web page according to the sorting factor* (see at least ¶0066, sort the search result list),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional sorting feature of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 64-66:

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The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *includes/executing a pacing function that calculates a billing frequency based on the cap amount and a future date or time* (see at least ¶0139, project expenses selection in the account management menu calculates the days in the future the until the exhaustion of funds (i.e. a billing frequency), Examiner notes that when the funds are exhausted the account is replenished/billed; the billing frequency is based on the prepaid balance/current balance (i.e. cap amount) and the estimated future daily clicks/daily run rate).

Response to Arguments

21. Applicant's arguments filed 29 May 2009 have been fully considered but they are not entirely persuasive.
22. With regard to the current 112 first paragraph rejection of claims 30, 42 and 57, Applicant argues that support for the claim can be found in ¶0049 of the specification describing the optimization process and comparing a random number with a pacing factor. Applicant asserts that the pacing factor from ¶0049 of the specification "is based on advertiser data" (see page 2 of Applicant's remarks). Examiner points out that "advertiser data" is not defined in the specification and thus is interpreted broadly. ¶0049 does not disclose advertiser data at all, nor does it disclose search results, or extracting search results. ¶0049 does not disclose advertiser data being the basis for a determination of which results are extracted, which is what is claimed. Examiner notes that ¶0025 of the specification discloses that a list of ads is generated based on the advertiser data, but this still does not support the language of the claim. The 112 first paragraph rejection of claims 30, 42 and 57 is maintained and repeated above.
23. Applicant argues that the current §103 rejection of claims 22-63 should be withdrawn because the objection is overcome by the evidence submitted in the declaration of inventor Foltz-Smith (see page 10 of Applicant's remarks). As noted in the response to amendment section above, the

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evidence disclosed in the declaration, when weighed against the evidence presented in the rejection above, does not persuade Examiner that the 103 rejection is overcome. Examiner further recognizes that the declaration states that Applicant believes that the prior art of record teaches all of the claimed limitations (see paragraph 4 of the declaration).

24. Applicant further argues with respect to claim 22 that several *functions* are executable by the processor and therefore deserve patentable weight. As noted in the Examiners note in the previous Office action repeated above, the current 103 rejection of claim 22 addresses every element of the claims notwithstanding Examiner's finding that various claim limitations directed purely to data do not carry patentable weight in the claim. Therefore whether Applicant's amendment results in several claim limitations now carrying patentable weight does not impact the patentability of the claim with regard to the 103 rejection. Further as noted above, Applicant's amendment raises a new indefiniteness rejection because the claim defines the *functions* as executable and as data *per se* at the same time. The definitions conflict. See the 112 2nd rejection above and the updated Examiner's note with regard to claim 22 above.
25. With regard to the new claims 64-66, Applicant argues that the prior art of record does not teach the newly claimed subject matter and further relies on a statement in the declaration that the feature of the new claims "would not be obvious within the context of the present invention" see page 3 of the declaration). As noted in the rejection above, Cheung teaches *includes/executing a function that calculates a billing frequency based on the cap amount and a future date or time* (see at least ¶¶10139, project expenses selection in the account management menu calculates the days in the future the until the exhaustion of funds (i.e. a billing frequency), Examiner notes that when the funds are exhausted the account is replenished/billed; the billing frequency is based on the prepaid balance/current balance (i.e. cap amount) and the estimated future daily clicks/daily run rate). Examiner recognizes that Cheung does not call this function a *pacing function* but nevertheless teaches the same function that Applicant claims. The issue of obviousness is not relevant because the primary reference teaches this limitation.

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26. With regard to the 101 rejection, the prior 101 rejection of claim 34 is maintained and updated above. Applicant argues that there is no support for "Examiner's assertion that a network cannot constitute a second statutory class" (see page 6 of Applicant's remarks). This argument is moot for two reasons. First, the rejection has been updated to reflect current policy with regard to 101 rejections after the recent *In re Bilski* decision. The current rejection does not include the *second statutory class* language. Second, Examiner did not assert in the previous rejection that a network is not a second statutory class; in fact Examiner was silent with regard to that determination because it did not affect the rejection. Rather what Examiner asserted, was that the activity tied to the network is insignificant extra-solution activity, so whether or not it is tied to a particular machine, it cannot make the claim patentable under 101. Applicant further argues that the receiving and transmitting steps are "important for the functioning of the present invention..." (see page 7 of Applicant's remarks). Respectfully, Applicant misunderstands the legal concept of "insignificant extra-solution activity" which is only relevant to the question of patentable subject matter under 35 U.S.C. 101. Specific examples of insignificant activity include data recordation or data gathering steps (see *In re Schrader* (22 F.3d 290) and *In re Grams* (888 F.2d 835)). Such steps are incapable of imparting patent-eligibility under § 101. (*Id.*) For further information see *In re Bilski*, 545 F.3d 943, 88 USPQ2d 1385 (Fed. Cir. 2008).
27. Applicant then asserts that the phrase *computer-based method* provides interpretation to the claim and satisfies the 101 requirement. Examiner disagrees. The recitation of *computer-based method* is extremely broad and fails to define a method that is tied to a particular machine or apparatus. For example Examiner is presently preparing this Office action and utilizing a computer. It can be said that the method the Examiner is using is a *computer-based method* because Examiner utilizes a computer at some point. However the method of preparing the Office action is not patentable subject matter under 35 U.S.C. 101 because the significant steps of the method are not preformed by the computer, but by the human Examiner. Nevertheless the method can still be properly said to be computer-based. In other words the language of

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Applicant's preamble does not sufficiently limit the claim such that the broadest reasonable interpretation of the claim satisfies the machine-or-transformation test.

28. Applicant asserts that "Examiner is reaching beyond the scope of normal interpretation of one of ordinary skill in the art of the present patent application when asserting that a search engine can be a human being" (emphasis added) (see page 7 of Applicant's remarks). Examiner does not assert, as Applicant suggests, that a search engine can be a human being. Rather Examiner asserts that a human being can OPERATE a search engine. The claim limitation does not require a search engine to operate autonomously; rather the limitation requires something/one to operate a search engine in a particular fashion which a human certainly can do. Further Applicant's amendment does not state that a processor is *doing* the operating; rather, as noted above, the amendment states that a processor is *used*. Examiner maintains that a human operator may use a processor.
29. For the reasons noted above in the rejection and in the response to arguments, the 101 rejection of claim 34 is maintained. Applicant is invited to contact Examiner to schedule an interview to discuss the 101 rejection if further clarification of the Office's current position is necessary.

Conclusion

30. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.
 - Lee, U.S. 2007/0162329 – discloses a similar online advertising account monitoring method and system. *Examiner notes that the priority date for this application is prior to Applicant's priority date; however the effective priority date for purposes of 102(e) is not prior to Applicant's priority date.
 - Singh, U.S. 7,231,358 B2 – discloses a method, not presently claimed but disclosed in the specification, of manipulating an online advertising account to ensure the account is not depleted until the end of a predetermined time period.

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31. Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to **Nathan C Uber** whose telephone number is **571.270.3923**. The Examiner can normally be reached on Monday-Friday, 8:30am-4:00pm EST. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **Eric Stamber** can be reached at **571.272.6724**.
32. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see [<http://pair-direct.uspto.gov>](http://portal.uspto.gov/external/portal/pair). Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at **866.217.9197** (toll-free).
33. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

P.O. Box 1450, Alexandria, VA 22313-1450

or faxed to **571-273-8300**.

34. Hand delivered responses should be brought to the **United States Patent and Trademark Office Customer Service Window**:

Randolph Building

401 Dulany Street

Alexandria, VA 22314.

/Nathan C Uber/ Examiner, Art Unit 3622
11 August 2009

/Arthur Duran/
Primary Examiner, Art Unit 3622